

# Business Update

March 2003

Visit us online at  
[www.wa.gov/esd/bizupdate](http://www.wa.gov/esd/bizupdate)

## E-Pay tops 2,100 Tax Transactions

Business taxpayers are ramping up volume on Employment Security's "E-Pay" website. We received electronic payments from 2,145 businesses in January. There is no signup for E-Pay, no user ID numbers, and no passwords to remember. Each payment is handled as a single debit with no future commitment. Users enter basic banking information (from their checks) into our secure site. Upon successful completion, you will see a printable success screen.

**What's changed:** All tax payments to Employment Security can now be made via E-Pay, including regular quarterly payments or payments on monthly agreements. Users can always select their own payment amounts and posting dates.

### What to do:

Visit [www.wa.gov/esd/epay](http://www.wa.gov/esd/epay) to use the system or [www.wa.gov/esd/uifasttax](http://www.wa.gov/esd/uifasttax) for more information on electronic tax filing and using E-Pay.

**Use E-Pay. Avoid paper checks, stamps, envelopes, late fees and running to the post office at the last minute to get the check in the mail by the due date.**

## Unemployment Tax Relief – for some

**Q** My lead salesperson quit because her husband was physically abusing her and she had to leave town. Do I get charged for her unemployment benefits?

**A** Yes, she qualifies for benefits, but your taxes may not go up. You automatically receive relief of benefit charges in this scenario.

**What's changed:** Thanks to a new process created by the Legislature last year, businesses don't get stuck with a higher unemployment insurance tax bill when workers quit due to harassment, abuse or stalking. Under long-standing laws, tax relief also may be available when businesses close down, when a laid-off worker continues to work a second job he or she already had, and/or when fires, floods, or other natural disasters force staff cutbacks. Relief also is available if a person quit without good cause or was discharged for misconduct connected with the work.

**What to do:** When an employee voluntarily quits or is discharged, you should apply for "relief of benefit charges" right away. You must apply for relief within 30 days of the date shown on the first "Notice to Base Year Employer" (form EMS 166) that you receive from the Employment Security Department.

**To request relief,** write to Employment Security Department, Experience Rating, P.O. Box 9046, Olympia, WA 98507-9046. For assistance or for questions, call your local District Tax Office. All offices are listed in the shaded box to the right.

## Unemployment Insurance Tax Rates Rise

### High Unemployment and Declining Trust Fund Force Increase

Tax rate notices mailed in late January carried bad news for many Washington businesses. Many will pay higher unemployment taxes this year under a current state law that raises tax rates to keep the unemployment trust fund solvent during recessions. Unemployment

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## Online Articles

- Tips for small corporations, LLCs
- B&O Tax Credit for job training
- Mystery Shopper program launched to boost quality

**UIFastTax** Electronic Tax Filing



Even our information systems department likes the ease of UIFastTax. Each release gets better. I use the 'paste data' feature to import from Excel. That saves a lot of time.

**Bob Parker-Station Accountant  
KHQ-TV Spokane**

**Learn about UIFastTax at:  
[www.wa.gov/esd/uifasttax](http://www.wa.gov/esd/uifasttax)**

## District Tax Offices

Bellevue	(425) 649-4388
Bellingham	(360) 676-2070
Lynnwood	(425) 774-2380
Olympia	(360) 407-5145
Seattle North	(206) 706-3801
Seattle South	(206) 766-6300
Spokane	(509) 532-3090
Tacoma	(253) 593-7380
Tri-Cities	(509) 734-5880
Vancouver	(360) 735-5050
Wenatchee	(509) 662-0448
Yakima	(509) 574-0137

## Identity theft costs businesses

### Your diligence can curb fraud and cut your tax bill

Crafty crooks are stealing your tax dollars. How? By stealing the names and Social Security numbers of legitimate employees and filing fictitious unemployment insurance claims. Costs for these bogus claims are "socialized," so all taxable businesses pick up the tab.

**What's changed:** Employment Security is one of only 12 states using three database cross matches to catch identity thieves, but even these aggressive efforts are no substitute for diligent business taxpayers.

**What to do:** Thoroughly review every "Notice to Base Year Employer" (EMS 166) form and "Statement of Benefit Charges" we send you. When you review either document, call us immediately at (360) 902-9670 if you see a listed worker who is not your employee or if a listed person is still working for you full time.

**Double-check** all "Claimant Separation Statement" (EMS 5361) forms. Call the TeleCenter listed on the form immediately if you do not recognize the name of the person who filed the claim.

**Double-check** all "Wage Verification" (FM001) forms. Call our Fraud Management Unit at 1-866-810-0210 if the worker listed on the form never worked for you or if the person works for you full time.

**Report all new hires.** State law requires reporting within 20 days of hire. This helps with child support enforcement by the Department of Social and Health Services. It also supports wage verification by Employment Security to curb improper payments. Choose your reporting method:

✓ Online at [www.wa.gov/dshs/newhire/](http://www.wa.gov/dshs/newhire/)  
✓ FAX DSHS at 800-782-0624

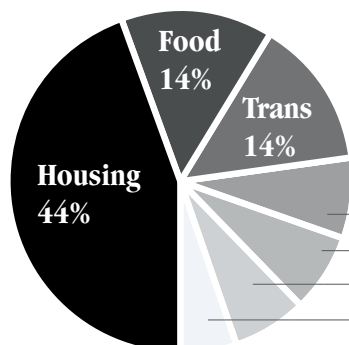
✓ Email at [newhire@dshs.wa.gov](mailto:newhire@dshs.wa.gov)  
✓ Phone DSHS at 800-562-0479

## Study Shows Unemployment Benefit Dollars Spent on Basic Needs

Ever wonder how laid-off workers spend their unemployment benefits? A research report compiled by Employment Security found that housing, food, utilities, and transportation top the list of expenditures by people receiving unemployment.

The report also found that 37 percent of people receiving unemployment have no other source of income. The full text of the report is available online at [www.wa.gov/esd/pdf/files/CES-2002.pdf](http://www.wa.gov/esd/pdf/files/CES-2002.pdf).

### Most Unemployment Dollars are spent on the basics



Source: Claimant Expenditure Survey 2002, Washington State Employment Security Department

housing 44%, food 14%, transportation 14%, clothes/education/other 8%, miscellaneous 8%, health 7%, savings/investment 5%

## Unemployment Tax Rates Rise

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benefits are paid from the trust fund. The trust fund balance shrank 25 percent from September 2001 to September 2002.

"The ongoing recession has dramatically reduced the trust fund balance," said Employment Security Commissioner Sylvia P. Mundy in a January 15 press release. "Taxes would have been even higher without federal dollars approved by Congress and the President to assist unemployed workers."

**What's changed:** Tax Schedule B is now in use and rates will range from 0.57 to 5.4 percent of taxable wages for established businesses. The amount of taxable wages was raised to \$29,700.

### Report a Fraud Today!

Know of a dishonest contractor, employer, worker, health care provider, or attorney?

**Report-a-fraud hotline:**  
**1-888-811-5974**

**Report-a-fraud website:**  
**[www.lni.wa.gov/fraud/](http://www.lni.wa.gov/fraud/)**

**WORKSource**  
Washington

List Job Openings.  
Search résumés.  
All at no cost.

**[go2worksource.com](http://go2worksource.com)**

**Quarterly UI Tax reports and payments are due April 30, 2003.**

Employment Security is an equal opportunity employer and provider of employment and training services. Auxiliary aids and services are available upon request to persons with disabilities.

Washington State  
Employment Security